

U.S. Department of Justice

Washington, DC 20530

Supplemental Statement**Pursuant to the Foreign Agents Registration Act of 1938, as amended**For Six Month Period Ending March 31, 2011

(Insert date)

I - REGISTRANT

1. (a) Name of Registrant

(b) Registration No.

Thomas Capitol Partners, Inc.

5982

(c) Business Address(es) of Registrant

1275 K Street, NW

Suite 725

Washington, DC 20005

2. Has there been a change in the information previously furnished in connection with the following?

(a) If an individual:

(1) Residence address(es) Yes ☐ No ☐(2) Citizenship Yes ☐ No ☐(3) Occupation Yes ☐ No ☐

(b) If an organization:

(1) Name Yes ☐ No ☒(2) Ownership or control Yes ☐ No ☒(3) Branch offices Yes ☐ No ☒

(c) Explain fully all changes, if any, indicated in Items (a) and (b) above.

Residence address of Thomas S. Kim, President, changed to:

7009 Arbor Lane

McLean, VA 22101

IF THE REGISTRANT IS AN INDIVIDUAL, OMIT RESPONSE TO ITEMS 3, 4, AND 5(a).3. If you have previously filed Exhibit C¹, state whether any changes therein have occurred during this 6 month reporting period.Yes ☐ No ☐If yes, have you filed an amendment to the Exhibit C? Yes ☐ No ☒

If no, please attach the required amendment.

¹ The Exhibit C, for which no printed form is provided, consists of a true copy of the charter, articles of incorporation, association, and by laws of a registrant that is an organization. (A waiver of the requirement to file an Exhibit C may be obtained for good cause upon written application to the Assistant Attorney General, National Security Division, U.S. Department of Justice, Washington, DC 20530.)

4. (a) Have any persons ceased acting as partners, officers, directors or similar officials of the registrant during this 6 month reporting period?

Yes ☐ No ☒

If yes, furnish the following information:

Name	Position	Date Connection Ended
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(b) Have any persons become partners, officers, directors or similar officials during this 6 month reporting period?

Yes ☐ No ☒

If yes, furnish the following information:

Name	Residence Address	Citizenship	Position	Date Assumed
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5. (a) Has any person named in Item 4(b) rendered services directly in furtherance of the interests of any foreign principal?

Yes ☐ No ☒

If yes, identify each such person and describe the service rendered.

(b) During this six month reporting period, has the registrant hired as employees or in any other capacity, any persons who rendered or will render services to the registrant directly in furtherance of the interests of any foreign principal(s) in other than a clerical or secretarial, or in a related or similar capacity? Yes ☐ No ☒

Name	Residence Address	Citizenship	Position	Date Assumed
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(c) Have any employees or individuals, who have filed a short form registration statement, terminated their employment or connection with the registrant during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information:

Name	Position or Connection	Date Terminated
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(d) Have any employees or individuals, who have filed a short form registration statement, terminated their connection with any foreign principal during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information:

Name	Position or Connection	Foreign Principal	Date Terminated
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6. Have short form registration statements been filed by all of the persons named in Items 5(a) and 5(b) of the supplemental statement?

Yes ☒ No ☐

If no, list names of persons who have not filed the required statement.

II - FOREIGN PRINCIPAL

7. Has your connection with any foreign principal ended during this 6 month reporting period? Yes ☐ No ☒
If yes, furnish the following information:

Foreign Principal

Date of Termination

8. Have you acquired any new foreign principal(s)² during this 6 month reporting period? Yes ☐ No ☒
If yes, furnish the following information:

Name and Address of Foreign Principal(s)

Date Acquired

9. In addition to those named in Items 7 and 8, if any, list foreign principal(s)² whom you continued to represent during the 6 month reporting period.

Embassy of the Republic of Korea

Korea International Trade Association

10. (a) Have you filed exhibits for the newly acquired foreign principal(s), if any, listed in Item 8?

Exhibit A³ Yes ☒ No ☐Exhibit B⁴ Yes ☒ No ☐

If no, please attach the required exhibit.

- (b) Have there been any changes in the Exhibits A and B previously filed for any foreign principal whom you represented during this six month period? Yes ☐ No ☒

If yes, have you filed an amendment to these exhibits? Yes ☐ No ☐

If no, please attach the required amendment.

² The term "foreign principal" includes, in addition to those defined in section 1(b) of the Act, an individual organization any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign government, foreign political party, foreign organization or foreign individual. (See Rule 100(a)(9)). A registrant who represents more than one foreign principal is required to list in the statements he files under the Act only those principals for whom he is not entitled to claim exemption under Section 3 of the Act. (See Rule 208.)

³ The Exhibit A, which is filed on Form NSD-3 (Formerly CRM-157) sets forth the information required to be disclosed concerning each foreign principal.

⁴ The Exhibit B, which is filed on Form NSD-4 (Formerly CRM-155) sets forth the information concerning the agreement or understanding between the registrant and the foreign principal.

III - ACTIVITIES

11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 7, 8, or 9 of this statement? Yes ☒ No ☐

If yes, identify each foreign principal and describe in full detail your activities and services:

Please see attached exhibit.

12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity⁵ as defined below? Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places of delivery, names of speakers and subject matter.

Please see attached exhibit.

13. In addition to the above described activities, if any, have you engaged in activity on your own behalf which benefits your foreign principal(s)? Yes ☐ No ☒

If yes, describe fully.

⁵ The term "political activity" means any activity that the person engaging in believes will, or that the person intends to, in any way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting or changing the domestic or foreign policies of the United States or with reference to political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

IV - FINANCIAL INFORMATION

14. (a) RECEIPTS-MONIES

During this 6 month reporting period, have you received from any foreign principal named in Items 7, 8, or 9 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise? Yes ☒ No ☐

If no, explain why.

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies.⁶

Date	From Whom	Purpose	Amount
10/01/2010 to 03/31/2011	Embassy of the Republic of Korea	Retainer Fee and Expenses	\$345,000.00
10/01/2010 to 03/31/2011	Korea International Trade Association	Retainer Fee and Expenses	\$60,000.00
			\$405,000.00
			Total

(b) RECEIPTS - FUNDRAISING CAMPAIGN

During this 6 month reporting period, have you received, as part of a fundraising campaign⁷, any money on behalf of any foreign principal named in Items 7, 8, or 9 of this statement? Yes ☐ No ☒

If yes, have you filed an Exhibit D to your registration? Yes ☐ No ☒

If yes, indicate the date the Exhibit D was filed. Date _____

(c) RECEIPTS-THINGS OF VALUE

During this 6 month reporting period, have you received any thing of value⁹ other than money from any foreign principal named in Items 7, 8, or 9 of this statement, or from any other source, for or in the interests of any such foreign principal?

Yes ☐ No ☒

If yes, furnish the following information:

Foreign Principal	Date Received	Thing of Value	Purpose
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6, 7 A registrant is required to file an Exhibit D if he collects or receives contributions, loans, moneys, or other things of value for a foreign principal, as part of a fundraising campaign. (See Rule 201(e)).

8 An Exhibit D, for which no printed form is provided, sets forth an account of money collected or received as a result of a fundraising campaign and transmitted for a foreign principal.

9 Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

15. (a) DISBURSEMENTS-MONIES

During this 6 month reporting period, have you

(1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 7, 8, or 9 of this statement? Yes ☒ No ☐(2) transmitted monies to any such foreign principal? Yes ☐ No ☒

If no, explain in full detail why there were no disbursements made on behalf of any foreign principal.

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

Date	To Whom	Purpose	Amount
10/01/2011 to 03/31/2011	Embassy of the Republic of Korea	Office operation and equipment expenses, business meals and entertainment, travel and lodging, transportation, professional development, subscriptions, computer and Internet and local and long distance communication.	Various
10/01/2011 to 03/31/2011	Korea International Trade Association	Office operation and equipment expenses, business meals and entertainment, travel and lodging, transportation, professional development, subscriptions, computer and Internet and local and long distance communication.	Various

Various

Total

(b) **DISBURSEMENTS-THINGS OF VALUE**

During this 6 month reporting period, have you disposed of anything of value¹⁰ other than money in furtherance of or in connection with activities on behalf of any foreign principal named in Items 7, 8, or 9 of this statement?

Yes ☐

No ☒

If yes, furnish the following information:

Date	Recipient	Foreign Principal	Thing of Value	Purpose
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(c) **DISBURSEMENTS-POLITICAL CONTRIBUTIONS**

During this 6 month reporting period, have you from your own funds and on your own behalf either directly or through any other person, made any contributions of money or other things of value¹¹ in connection with an election to any political office, or in connection with any primary election, convention, or caucus held to select candidates for political office?

Yes ☒

No ☐

If yes, furnish the following information:

Date	Amount or Thing of Value	Political Organization or Candidate	Location of Event
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Please see
attached exhibit.

^{10, 11} Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks" and the like.

V - INFORMATIONAL MATERIALS

16. (a) During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any informational materials?¹²
 Yes ☒ No ☐

If Yes, go to Item 17.

- (b) If you answered No to Item 16(a), do you disseminate any material in connection with your registration?
 Yes ☐ No ☐

If Yes, please forward the materials disseminated during the six month period to the Registration Unit for review.

17. Identify each such foreign principal.
 Embassy of the Republic of Korea

18. During this 6 month reporting period, has any foreign principal established a budget or allocated a specified sum of money to finance your activities in preparing or disseminating informational materials? Yes ☐ No ☒
 If yes, identify each such foreign principal, specify amount, and indicate for what period of time.

19. During this 6 month reporting period, did your activities in preparing, disseminating or causing the dissemination of informational materials include the use of any of the following:

- ☐ Radio or TV broadcasts ☐ Magazine or newspaper ☐ Motion picture films ☒ Letters or telegrams
☐ Advertising campaigns ☒ Press releases ☐ Pamphlets or other publications ☐ Lectures or speeches
☒ Other (specify) Invitation to events

Electronic Communications

- ☒ Email
☐ Website URL(s): _____
☐ Social media websites URL(s): _____
☐ Other (specify) _____

20. During this 6 month reporting period, did you disseminate or cause to be disseminated informational materials among any of the following groups:

- ☐ Public officials ☐ Newspapers ☐ Libraries
☒ Legislators ☐ Editors ☐ Educational institutions
☐ Government agencies ☐ Civic groups or associations ☐ Nationality groups
☐ Other (specify) _____

21. What language was used in the informational materials:

- ☒ English ☐ Other (specify) _____

22. Did you file with the Registration Unit, U.S. Department of Justice a copy of each item of such informational materials disseminated or caused to be disseminated during this 6 month reporting period? Yes ☒ No ☐

23. Did you label each item of such informational materials with the statement required by Section 4(b) of the Act?
 Yes ☒ No ☐

¹² The term informational materials includes any oral, visual, graphic, written, or pictorial information or matter of any kind, including that published by means of advertising, books, periodicals, newspapers, lectures, broadcasts, motion pictures, or any means or instrumentality of interstate or foreign commerce or otherwise. Informational materials disseminated by an agent of a foreign principal as part of an activity in itself exempt from registration, or an activity which by itself would not require registration, need not be filed pursuant to Section 4(b) of the Act.

VI - EXECUTION

In accordance with 28 U.S.C. § 1746, the undersigned swear(s) or affirm(s) under penalty of perjury that he/she has (they have) read the information set forth in this registration statement and the attached exhibits and that he/she is (they are) familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his/her (their) knowledge and belief, except that the undersigned make(s) no representation as to truth or accuracy of the information contained in the attached Short Form Registration Statement(s), if any, insofar as such information is not within his/her (their) personal knowledge.

(Date of signature)

(Print or type name under each signature or provide electronic signature¹³)

May 23, 2011

/s/ Thomas Sung-Hoon Kim

eSigned

¹³ This statement shall be signed by the individual agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions, if the registrant is an organization, except that the organization can, by power of attorney, authorize one or more individuals to execute this statement on its behalf.

FOR SIX-MONTH SUPPLEMENTAL FILING PERIOD: 10/01/2010 to 03/31/2011

THOMAS CAPITOL PARTNERS, INC.

1275 K Street, NW

Suite 725

Washington, DC 20005

Registration Number: 5982

ATTACHMENT

Item 11: During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 7, 8, and 9 of this statement?

EMBASSY OF THE REPUBLIC OF KOREA

-Provided strategic consultation, public relations advisory and lobbying services related to the U.S.-Korea General Bilateral Alliance (GBA) and the Korea-U.S. Free Trade Agreement (KORUS FTA).

KOREA INTERNATIONAL TRADE ASSOCIATION

-Provided strategic consultation and public relations advisory services related to the U.S.-Korea Free Trade Agreement (FTA) and other trade and economic issues.

Item 12: During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity as defined below?

Meetings and/or contacts with Members and/or staff of the following House and Senate congressional offices:

U.S. House of Representatives

Rep. Ike Skelton	Rep. Jackie Speier	Rep. Gary Ackerman
Rep. Don Young	Rep. Anna Eshoo	Rep. Gregory Meeks
Rep. Denny Rehberg	Rep. Mike Honda	Rep. Joseph Crowley
Rep. Trent Franks	Rep. Zoe Lofgren	Rep. Anthony Weiner
Rep. Jeff Flake	Rep. Dennis Cardoza	Rep. Ed Towns
Rep. Vic Snyder	Rep. Howard McKeon	Rep. Yvette Clarke
Rep. Mike Ross	Rep. David Dreier	Rep. Nydia Velázquez
Rep. Shelley Berkley	Rep. Howard Berman	Rep. Charles Rangel
Rep. Christopher Smith	Rep. Adam Schiff	Rep. Eliot Engel
Rep. Scott Garrett	Rep. Xavier Becerra	Rep. Nita Lowey
Rep. Steve Rothman	Rep. Diane Watson	Rep. Louise Slaughter
Rep. Donald Payne	Rep. Jane Harman	Rep. Earl Perlmutter
Rep. Albio Sires	Rep. Laura Richardson	Rep. G.K. Butterfield

Rep. Wally Herger	Rep. Darrell Issa	Rep. Bob Etheridge
Rep. Mike Thompson	Rep. Brian Bilbray	Rep. Howard Coble
Rep. Nancy Pelosi	Rep. Peter King	Rep. John Larson
Rep. John Boehner	Rep. Ruben Hinojosa	Rep. Earl Pomeroy
Rep. Betty Sutton	Rep. Sheila Jackson-Lee	Rep. Dennis Kucinich
Rep. Kendrick Meek	Rep. Al Green	Rep. Andre Carson
Rep. Ileana Ros-Lehtinen	Rep. Henry Cuellar	Rep. Keith Ellison
Rep. Ron Klein	Rep. Solomon Ortiz	Rep. Walter Jones
Rep. Mario Diaz-Balart	Rep. Silvestre Reyes	Rep. Stephen Lynch
Rep. Tom Cole	Rep. Jim Matheson	Rep. Steve Austria
Rep. Lynn Westmoreland	Rep. Eric Cantor	Rep. Dan Boren
Rep. John Lewis	Rep. Jim Moran	Rep. Emanuel Cleaver
Rep. Phil Gingrey	Rep. Frank Wolf	Rep. Mike Coffman
Rep. Jason Altmire	Rep. Steny Hoyer	Rep. Susan Davis
Rep. Bill Shuster	Rep. Chris Van Hollen	Rep. Rush Holt
Rep. Tim Holden	Rep. Donna Edwards	Rep. Ann Kirkpatrick
Rep. Mazie Hirono	Rep. Brian Baird	Rep. Frank LoBiondo
Rep. Jesse Jackson, Jr.	Rep. Jim McDermott	Rep. Ben Lujan
Rep. Rahm Emanuel	Rep. Dave Reichert	Rep. Michael McCaul
Rep. Peter Roskam	Rep. Adam Smith	Rep. Brad Miller
Rep. Janice Schakowsky	Rep. Michael Capuano	Rep. Bill Owens
Rep. Donald Manzullo	Rep. Bill Delahunt	Rep. Mike Rogers
Rep. Joe Wilson	Rep. Paul Ryan	Rep. Marcia Fudge
Rep. Bob Inglis	Rep. Ron Kind	Rep. Parker Griffith
Rep. James Clyburn	Rep. Eni Faleomavaega	Rep. Eddie Bernice Johnson
Rep. John Spratt	Rep. Madeleine Bordallo	Rep. Mike Thompson
Rep. Dan Burton	Rep. Gregorio Sablan	Rep. John Yarmuth
Rep. John Tanner	Rep. David Camp	Rep. Sander Levin
Rep. Sam Johnson	Rep. Fred Upton	Rep. John Conyers
Rep. Kevin Brady	Rep. Candice Miller	Rep. John Dingell
Rep. John Kline	Rep. Thaddeus McCotter	Rep. Bennie Thompson
Rep. Martha Roby	Rep. Colin Peterson	Rep. Gene Taylor
Rep. Terri Sewell	Rep. Mo Brooks	Rep. Rick Berg
Rep. Adam Kinzinger	Rep. Karen Bass	Rep. Tom Reed
Rep. Bobby Schilling	Rep. Steve Southerland	Rep. Mike Kelly
Rep. Vicky Hartzler	Rep. Frederica Wilson	Rep. David Cicilline
Rep. Billy Long	Rep. David Rivera	Rep. Tim Scott
Rep. Michael Grimm	Rep. Austin Scott	Rep. Trey Gowdy
Rep. Frank Guinta	Rep. Colleen Hanabusa	Rep. Robert Hurt
Rep. Chris Gibson	Rep. Robert Dold	Rep. Morgan Griffith

United States Senate

Sen. Richard Shelby	Sen. Christopher Dodd	Sen. Bob Corker
Sen. Jeff Sessions	Sen. Joseph Lieberman	Sen. Orrin Hatch
Sen. Max Baucus	Sen. Charles Schumer	Sen. Jim Webb
Sen. Jon Tester	Sen. Johnny Isakson	Sen. Maria Cantwell
Sen. Ben Nelson	Sen. Daniel Inouye	Sen. Carl Levin
Sen. Chuck Hagel	Sen. Daniel Akaka	Sen. John Kerry
Sen. Harry Reid	Sen. James Inhofe	Sen. Ben Cardin
Sen. Barbara Boxer	Sen. Ron Wyden	Sen. Mary Landrieu
Sen. Frank Lautenberg	Sen. Richard Durbin	Sen. Mitch McConnell
Sen. Bob Menendez	Sen. Richard Lugar	Sen. Scott Brown
Sen. Chuck Grassley	Sen. Lindsey Graham	Sen. Dan Coats
Sen. Sam Brownback	Sen. John Boozman	Sen. Marco Rubio
Sen. Roy Blunt	Sen. Roger Wicker	Sen. Mike Johanns
Sen. Thad Cochran	Sen. Dianne Feinstein	Sen. John Hoeven
Sen. Mark Kirk	Sen. Jon Kyl	Sen. John McCain
Sen. Jerry Moran	Sen. Rob Portman	Sen. James Risch

Meetings and/or contacts with Members and/or staff of the following House and Senate congressional committees:

House Committees

House Committee on Agriculture
House Committee on Appropriations
House Committee on Armed Services
House Committee on Energy and Commerce
House Committee on Ethics
House Committee on Financial Services
House Committee on Foreign Affairs
House Committee on Homeland Security
House Committee on House Administration
House Committee on the Judiciary
House Committee on Oversight and Government Reform
House Committee on Rules
House Committee on Science, Space and Technology
House Committee on Standards of Official Conduct
House Committee on Transportation and Infrastructure
House Committee on Ways and Means

Senate Committees

Senate Committee on Agriculture, Nutrition and Forestry
Senate Committee on Appropriations
Senate Committee on Armed Services

Senate Committee on Commerce, Science, and Transportation
Senate Committee on Environment and Public Works
Senate Committee on Finance
Senate Committee on Foreign Relations
Senate Committee on Homeland Security and Governmental Affairs
Senate Committee on Judiciary

Item 15(c) DISBURSEMENTS – POLITICAL CONTRIBUTIONS

Contributions to Political Committees

(For Period of October 1, 2010 to March 31, 2011)

MIKE MCMAHON FOR CONGRESS

10/28/2010 500.00

FRIENDS FOR GREGORY MEEKS

10/18/2010 1000.00

03/31/2011 500.00

ROS-LEHTINEN FOR CONGRESS

10/27/2010 1050.00

CONNOLLY FOR CONGRESS

03/29/2011 500.00

TOM REED FOR CONGRESS

02/11/2011 250.00

BRIAN BILBRAY FOR CONGRESS

03/30/2011 500.00

ALASKANS FOR BEGICH 2014

02/02/2011 500.00

RANGEL FOR CONGRESS

03/08/2011 500.00

MONTANANS FOR TESTER

03/31/2011 1500.00

//End of Attachment//

FOR SIX-MONTH SUPPLEMENTAL FILING PERIOD: 10/01/2010 to 03/31/2011

THOMAS CAPITOL PARTNERS, INC.

1275 K Street, NW

Suite 725

Washington, DC 20005

Registration Number: 5982

DISSEMINATED INFORMATIONAL MATERIALS

Item 16. (a) During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any informational materials?

Yes. See attached exhibit.

Item 17. Identify each such foreign principal.

Embassy of the Republic of Korea

**THE U.S.-KOREA FREE TRADE AGREEMENT:
MORE AMERICAN JOBS, FASTER ECONOMIC RECOVERY THROUGH EXPORTS**

President Obama today announced the successful resolution of the outstanding issues with the U.S. – Korea trade agreement, setting the stage for consideration of the agreement by Congress in the coming months. The agreement is an integral part of the President's efforts to increase opportunities for U.S. businesses, farmers and workers through improved access for their products and services in foreign markets, and supports the President's National Export Initiative goal of doubling of U.S. exports in 5 years. The agreement will promote the further integration of the U.S. and Korean economies and enhance the competitiveness of U.S. businesses in the world's 12th largest economy. The agreement is an important demonstration of the Administration's advancement of free and fair trade, and will complement the Obama Administration's efforts to expand business opportunities for the United States in Asia, including through such initiatives as the Trans Pacific Partnership.

Real Opportunities

The U.S. International Trade Commission has estimated that the tariff cuts alone in the U.S.-Korea trade agreement will increase exports of American goods by \$10 billion to \$11 billion. The Obama Administration is moving this agreement forward to seize the tens of thousands of American jobs supported by those exports – as well as the additional American jobs that will come from by breaking down non-tariff barriers keeping U.S. exports out of Korea, and by requiring stronger protection and enforcement of intellectual property rights in Korea. Just as importantly, the U.S.-Korea trade agreement will also open Korea's \$560 billion services market to highly competitive American companies – supporting jobs for American workers in sectors ranging from delivery and telecommunications services to education and health care services.

Agreement Eliminates and Reduces Tariffs on U.S. Exports:

The Agreement would eliminate tariffs on over 95 percent of industrial and consumer goods within five years.

Autos: The United States and Korea have reached an agreement that makes more job-creating export opportunities in a more open and fair Korean market for America's auto companies and auto workers. The agreement improves market access for U.S. auto companies by addressing ways Korea's system of automotive safety standards have served as a barrier to U.S. exports. Similarly, the agreement addresses proposed Korean environmental standards that could serve as a barrier to U.S. exports – striking a balance that respects our shared desire to reduce the environmental impact of automobiles, but alleviates a real burden placed on American auto companies importing smaller volumes into Korea. Progress was made in several additional areas of automotive policy including on regulatory transparency and an acceleration of tariff reductions on electric cars that will encourage the development of green auto technologies. A special auto safeguard levels the playing field for American auto workers, ensuring that the American industry does not suffer from harmful surges in Korean auto imports due to this agreement. Further adjustments to general auto and truck tariffs will give U.S. auto companies and American workers the opportunity to increase sales in Korea before U.S. tariffs on Korean autos come down.

Manufacturing: The U.S.-Korea trade agreement creates new opportunities for U.S. manufacturers seeking to export to Korea in two ways: first, it eliminates tariffs, or duties, charged when U.S. exports come into Korea; and it addresses non-tariff barriers to U.S. exports – whether by eliminating barriers that are in place today, or by establishing a framework to prevent non-tariff barriers from arising in the future. Under the agreement, U.S. exports of aerospace, automotive, consumer goods, electrical/electronic goods, metals, scientific equipment, and shipping and transportation equipment will gain duty-free access to the Korean market. Beyond tariffs, the agreement establishes strong new rules on how Korea will develop regulations applied to U.S. exports, and contains state-of-the-art

protections on intellectual property rights (IPRs). Strong protection for intellectual property is critically important for U.S. industry's knowledge-based manufactured goods.

Services: Korea has agreed to match the high level of openness provided by the United States in a host of services sectors, ranging from energy and environmental services to financial services and distribution. The agreement's provisions on cross-border services, telecommunications, and electronic commerce offer particular advantages to the information and communications technology service sector – an area where the United States excels – benefitting small- and medium-sized American enterprises without the resources to establish an office in every market they serve. The agreement also discourages Korea from setting technology standards or other requirements in a way that would give domestic producers an advantage over American service suppliers. And the agreement addresses all service sectors in the Korean market, and all modes of supply, and will apply to new and innovative services that may develop as markets evolve.

Agricultural Products: The United States is already Korea's top supplier of agriculture products, including of a broad variety of farm products such as almonds, fresh cherries, hides and skins and corn. The U.S.-Korea trade agreement creates new opportunities for U.S. farmers, ranchers and food processors seeking to export to Korea's 49 million consumers, giving American agricultural producers more market access in two ways – by getting rid of tariffs charged when U.S. exports come into Korea, and by laying out a framework to tackle other barriers to U.S. exports – even those that might arise in the future. American beef volumes have increased by more than 120 percent in just a few years under the existing protocol – helping producers to regain much of the market share they lost earlier. Tariff eliminations on Korea's existing 40 percent tariff will further boost beef exports, saving an estimated \$1,300 per ton of beef imported to Korea – savings that would total \$90 million annually for U.S. beef producers at current sales levels.

Investment: The U.S.-Korea trade agreement increases investment opportunities for U.S. companies in Korea by providing them access to the market, strong investor protections, and a way for investors to enforce their rights. The agreement does not provide Korean investors in the United States any more investment protections than U.S. law gives American investors here, and it ensures that the U.S. government and our state and local governments can continue to regulate in the public interest, including protecting public health, public safety, and the environment.

Financial Services: The financial services chapter in the U.S.-Korea agreement provides significantly improved market access into Korea for American financial services firms – supplementing and modifying the agreement's rules on investment and services to allow American companies to provide financial services in the Korean market. At the same time, the agreement preserves the right of U.S. financial regulators to take action to ensure the integrity and stability of financial markets or address a financial crisis. Under the agreement, Korea also commits to treat U.S. financial institutions comparably to their competitors in the Korean market.

Government Procurement: The U.S.-Korea agreement expands U.S. firms' access to the \$100 billion Korean government procurement market, creating new opportunities for exporters, and ensuring that U.S. firms will get to bid on contracts on a level playing field with Korean firms. At the same time, the agreement's government procurement rules ensure that certain American business sectors – such as small businesses or textile companies bidding on Department of Defense procurement – do not face foreign competition for key government contracts here at home. The agreement's procurement obligations also maintain American environmental and labor safeguards.

Labor Rights: The agreement sets high standards for protection of workers' rights in trade agreements – including obligations for Korea to respect fundamental labor rights, not to weaken the laws that reflect those rights in any way, and to effectively enforce labor laws designed to ensure a level playing field for American workers to compete. The agreement contains groundbreaking labor elements that were first outlined on May 10, 2007, in a bipartisan, Congressionally-led initiative to incorporate high labor

standards into America's trade agreements. The Korean government, which has already demonstrated a significant commitment to labor rights, will be held to the same level of accountability for meeting labor commitments as it is for meeting other commitments in the agreement.

Environmental Commitments: The Environment Chapter of the U.S.-Korea agreement contains groundbreaking environmental elements that were first outlined in the bipartisan, Congressionally-led May 10 initiative to incorporate high environmental standards into America's trade agreements. Under the agreement, the Korean government – which has already demonstrated a significant commitment to environmental protections – will be held to the same level of accountability for meeting environmental commitments as it is for meeting other commitments in the agreement.

INCREASING U.S. AUTO EXPORTS AND GROWING U.S. AUTO JOBS THROUGH THE U.S.-KOREA TRADE AGREEMENT

President Obama recognized that when it came to autos, the 2007 U.S.-Korea trade agreement did not go far enough to provide new market access to U.S. auto companies and to level the playing field for U.S. auto manufacturers and workers. The supplemental agreement announced today makes a number of important improvements:

- To deal with the large disparity between Korean auto sales to the U.S. and American car sales in Korea, U.S. auto companies and American auto workers now have provisions that give them the opportunity to increase sales to Korea before U.S. tariffs on Korean autos come down.
- To increase overall sales in Korea of more affordable American vehicles, and support more auto jobs here at home, we agreed to eliminate non-tariff barriers that severely restricted American automakers' access to the Korean market and raised the cost of producing vehicles for sale in that market.
- To level the playing field for America's auto industry and workers, we strengthened enforcement and protections from sudden harmful import surges.

INCREASING ACCESS TO KOREA'S AUTO MARKET TO EXPAND U.S. EXPORTS AND SUPPORT JOBS HERE AT HOME

Automotive Safety Standards: Safety standards have effectively operated as a non-tariff barrier to U.S. auto exports. The 2010 supplemental agreement announced today allows for 25,000 cars per U.S. automaker – or almost four times the number allowed in the 2007 agreement -- to be imported into Korea provided they meet U.S. federal safety standards, which are among the most stringent in the world.

Automotive Environmental Standards: To avoid unfair burdens on automakers while maintaining high standards for environmental protection, major trading nations provide reasonable flexibility on environmental standards for small-volume vehicle importers. Under the 2010 supplemental agreement, all U.S. autos will be considered compliant with new Korean environmental standards on fuel economy and greenhouse gas emissions, developed since the 2007 agreement, if they achieve 119 percent of the targets in these regulations. This provision helps American automakers sell their cars affordably in Korea without undermining Korea's environmental objectives.

Taxes: In the 2007 agreement, Korea committed to reduce tax rates for American cars and to streamline current taxes based on engine size, which have tended to raise the cost of the typically larger size of American vehicles sold in Korea. Under the 2010 supplemental agreement, Korea has agreed to additional transparency in this area.

Transparency: The 2007 agreement prohibits Korea from adopting new automotive regulations that create unnecessary barriers to trade, and establishes an early warning system for potential trade barriers. The 2010 supplemental agreement makes two important additions for significant regulations: creating a 12-month period between the time a final regulation is issued and the time auto companies must comply with it, giving companies sufficient time to adjust; and requiring Korea to develop a new review system within 24 months of entry into force to make sure that existing auto regulations accomplish their objectives in the least burdensome manner possible.

LEVELING THE PLAYING FIELD BY GIVING U.S. AUTOMAKERS AND WORKERS THE OPPORTUNITY TO TAKE ADVANTAGE OF INCREASED ACCESS TO KOREA'S MARKET

Car Tariff Elimination: The 2007 agreement would have immediately eliminated U.S. tariffs on an estimated 90 percent of Korea's auto exports, with remaining tariffs phased out by the third year of implementation. The 2010 supplemental agreement keeps the 2.5 percent U.S. tariff in place until the fifth year. At the same time, Korea will immediately cut its tariff on U.S. auto imports in half (from 8 percent to 4 percent), and fully eliminate that tariff in the fifth year.

Truck Tariff Elimination: The 2007 agreement would have required the United States to start reducing its tariff on Korean trucks immediately and phase it out by the agreement's tenth year. The 2010 supplemental agreement allows the United States to maintain its 25 percent truck tariff until the eighth year and then phase it out by the tenth year – but holds Korea to its original commitment to eliminate its 10 percent tariff on U.S. trucks immediately.

Tariffs on Electric Cars: In the 2007 agreement, the United States and Korea would have eliminated tariffs on electric cars and plug-in hybrids by the tenth year of implementation. Under the 2010 supplemental agreement, Korea will immediately reduce its electric car tariffs from 8 percent to 4 percent, and both countries will then phase out their tariffs by the fifth year. This is a concrete step toward achieving President Obama's goal of supporting America's green technologies.

MORE SAFEGUARDS FOR AMERICA'S AUTO INDUSTRY SUSTAIN JOBS HERE AT HOME

Special Motor Vehicle Safeguard: The 2007 agreement contained no safeguard specific to the U.S. auto industry. Under the 2010 supplemental agreement, Korea has committed to add a special safeguard for motor vehicles to ensure that the American auto industry does not suffer from any harmful surges in Korean auto imports due to this trade agreement.

Additional rules strengthen this auto safeguard. In the 2007 agreement, the general safeguard protections against harmful product surges ended in the agreement's tenth year. Under the 2010 supplemental agreement, the special auto safeguard is available for 10 years beyond the full elimination of tariffs for each Korean auto product. Under this motor vehicle safeguard, the U.S. government is not required to offer Korea tariff reductions or other compensation – generally required when a safeguard is applied – for up to two years after this particular safeguard is applied. The special motor vehicle safeguard can be applied more than once per particular auto product if more than one surge causes serious damage to U.S. production of that product. The higher tariffs of the special motor vehicle safeguard can be applied to a particular product for as long as four years, instead of three years as in the agreement's general safeguard. There is no requirement for the U.S. to progressively re-lower tariffs while the special motor vehicle safeguard is applied. Fewer procedural steps are required to speed up the application of the safeguard when workers need faster relief.

Enforcement: The 2007 agreement creates a tough remedy for the United States to re-impose as much as \$200 million in U.S. tariffs (i.e., "snapping back" to pre-agreement levels) on Korean passenger cars if U.S. auto business in Korea is materially affected by Korean violations of the agreement. The 2010 supplemental agreement substantially increases Korea's obligations in a number of areas subject to this strong enforcement mechanism.



FOR IMMEDIATE RELEASE

January 20, 2011

**The Republic of Korea Government's Response to North Korea's Proposal
for Military Talks**
(Unofficial Translation)

- On January 10, the Government of the Republic of Korea, via the Ministry of Unification spokesperson's comment, proposed a dialogue between South and North Korean authorities for, first of all, North Korea's taking responsible measures for the Cheonan torpedo and the Yeonpyong Island shelling attacks and credibly promising for no further provocations; and second, confirmation of North Korea's sincerity toward denuclearization.

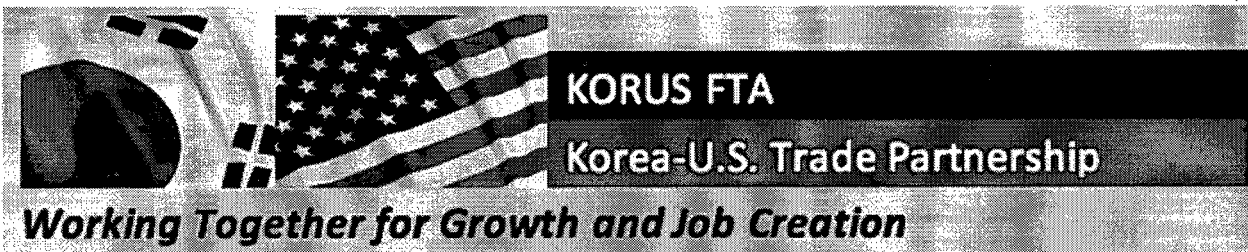
- In regard to ROK's proposal, North Korea's Kim Yong-Chun, Chief of the General Staff of the Korean People's Army, responded to the Republic of Korea's Defense Minister, Kim Kwan-Jin, by telegram this morning (January 20), suggesting the two sides hold high-level military talks, as the agendas proposed by the ROK for the inter-Korea dialogue are military in nature and thus require participation of the military authorities on both sides. The agenda proposed by the North for the high-level military talks is "to express views on the Cheonan incident and the artillery combat in the Yeonpyong Island and to ease military tensions on the Korean Peninsula."

- The Government of the Republic of Korea has consistently maintained that North Korea must first take responsible measures for the two attacks and promise credibly to prevent further provocations; and that a dialogue between the authorities of the North and South is necessary to confirm North Korea's sincerity toward denuclearization.

- According to such position, the Republic of Korea will proceed to have high-level military talks with North Korea; the agenda of the talks will be North Korea's taking responsible measures regarding the Cheonan and Yeonpyeong attacks and its making a definite promise to prevent additional provocations. With this in mind, the Republic of Korea plans to propose to the North detailed logistics concerning the talks, including a preliminary meeting.

- ROK will also later propose separate high-level talks with the North Korean authority, as the Government of ROK believes that inter-Korean talks about the nuclear issue is absolutely necessary to confirm North Korea's sincerity toward denuclearization.

- The Ministry of Unification will discuss further related details with relevant agencies of the Government of the Republic of Korea. /end/



Expanding U.S. Trade with Korea – An Easy Economic Stimulus

"This agreement will benefit the people of both our countries, boosting commerce, growing our economies, creating good-paying jobs....South Korea is already America's seventh largest trading partner, with two-way trade and goods alone reaching nearly \$70 billion last year. And we believe this is only the beginning of our shared economic potential. As President Obama said at the G20 recently, we are committed to getting the free trade agreement passed."

Secretary of State Hillary Clinton
July 21, 2010

Enhancing the longstanding partnership between the United States and the Republic of Korea by enacting the KORUS FTA will bring important economic benefits and opportunities to U.S. businesses, farmers, and workers by immediately opening access for U.S. goods and services in Korea—one of the world's largest and most dynamic economies.

By securing a more open and competitive Korean market, the FTA will boost U.S. exports to and investment in Korea—generating new jobs and economic growth for both countries.

The Importance of Trade to the U.S. Economy

- More than 57 million American jobs are directly supported by international trade.
- Exports represent 13% of U.S. GDP, and exports have been the single largest contributor to economic growth, generating 48% of GDP growth from April 2007 to March 2008.
- 95% of the world's consumers live outside the United States.

Trade Between U.S. and Korea

- Korea = 7th largest U.S. trading partner
 - = 5th largest market for U.S. agricultural goods
 - = 2nd largest market for U.S. services in Asia
 - = 10th largest market for U.S. information technology products

Overall Benefits of the KORUS FTA (USITC, 2007)

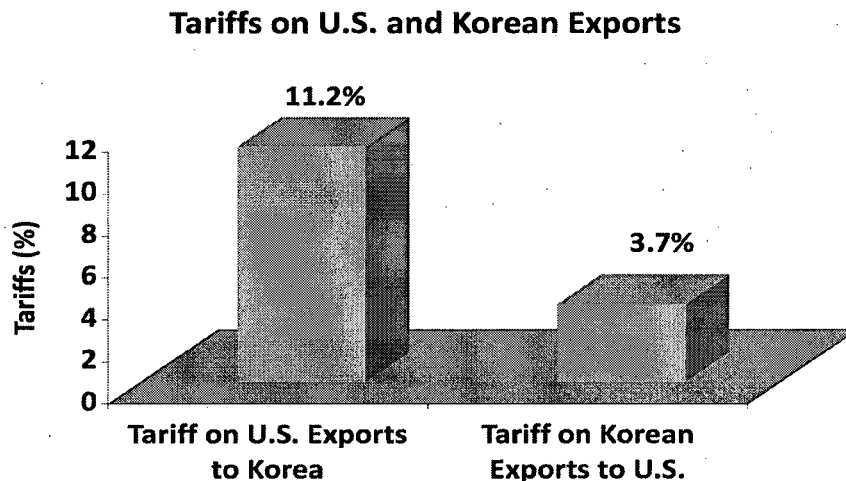
- U.S. GDP growth: \$10.1~11.9 billion
- U.S. Merchandise Exports increase: \$9.7~10.9 billion

Cost of Inaction

- A recent U.S. Chamber of Commerce study found that America could suffer a net loss of more than **345,017 jobs**, **\$20.3 billion in lost export sales** and **U.S. national output** failing to grow **\$40.4 billion**, if it fails to implement the KORUS FTA while the EU and Canada move forward to implement FTAs with Korea.

Tariff Elimination by the KORUS FTA

- U.S. exports to Korea face an average applied tariff of 11.2 percent, while the equivalent U.S. tariff on Korean exports is 3.7 percent.



Source: CRS Report for Congress, "The Proposed South Korea-U.S. Free Trade Agreement (KORUS FTA)," July 28, 2007

- With approval of the KORUS FTA, nearly 95 percent of bilateral trade in consumer and industrial products will become duty-free within three years—and almost all other tariffs will be eliminated within 10 years.
- The FTA creates significant new access in Korea for U.S. agricultural products, which now face an average applied tariff of 52 percent. Under the FTA, tariffs will be removed immediately on more than half of current U.S. farm exports to Korea—a value of \$1.9 billion.

KORUS FTA will give U.S. businesses, workers and farmers an advantage over other global competitors in Korea's growing market.

- Korea has concluded an **FTA with the European Union** – a major agreement that could give significant advantages in the Korean market to many European service and manufacturing companies at the expense of American companies waiting to benefit from the KORUS FTA.
- **Trilateral talks between Korea, Japan and China** are moving ahead with the goal of establishing a massive regional market.

KORUS FTA will ensure that the United States not only remains competitive in the Korean market, but remains a strong competitor throughout Asia.

koreauspartnership.org

Talking Points on Kaesong Issues, February 22, 2011

Contention #1: Products, including component parts and assembled goods, made in the Kaesong Industrial Complex (KIC) can be imported to the United States

- Under U.S. law, which maintains firm sanctions against all North Korean products, no product from North Korea can enter the U.S. (Treasury's Office of Foreign Assets Control regulation). **The KORUS FTA does not change this law or conflict with U.S. sanctions against North Korea.**
 - The FTA would not change U.S. law that mandates that no product or component of a product, sold in the U.S. can trace its origin to North Korea.
- Products made in the KIC are destined for South Korea's domestic market or markets in Asia and Eastern Europe. **Korean companies that do business in the KIC purposefully segregate all products with any connection to the complex and do not allow them to be shipped to the U.S.**
 - No South Korean company would risk losing access to the American market for violating the U.S. embargo on North Korea.
- This is true of products that were fully manufactured in North Korea AND South Korean products which contain components manufactured in North Korea.
- U.S. customs authorities, not South Korean customs agents, are responsible for the verification of the origin of products to be shipped to the U.S. **The KORUS FTA includes the most effective customs enforcement measures the U.S. has ever agreed to in an FTA**, including unannounced visits to Korean producers and denying entry for non-compliant goods.
- The KORUS FTA applies to South Korea's territory and excludes the KIC and any territory controlled by North Korea. By stating that "A natural person who is domiciled [in North Korea] shall not be entitled to benefits under this agreement" The agreement makes it clear that no North Korean shall benefit, either personally or through their control of a corporation or their manufacturing of a good.

Contention #2: The KORUS FTA provides an opening for products from the KIC to gain duty-free access to the U.S. without approval by the U.S. Congress

- Annex 22-B of the agreement provides a future opportunity to discuss granting KIC products access to the U.S. IF AND ONLY IF, both the U.S. government and the South Korean government agree.
- USTR says Congress would have to pass legislation allowing Kaesong goods to qualify for preferential tariff treatment through the regular legislative process and the President would need to sign this legislation into law. No unilateral action by South Korea or by the Executive Branch could qualify goods assembled in the KIC for the benefits of the FTA.
- Before allowing products from the KIC into the U.S. would even be considered, the FTA insists that certain stringent criteria must be met, including, but not limited to:
 - Progress towards denuclearization of the Korean Peninsula;
 - The impact of the area on intra-Korean relations;
 - The environmental standards, labor standards and practices, wage practices and business and management practices prevailing in the area with due reference to the situation prevailing elsewhere in the local economy AND the relevant international norms.

Contention #3: The Ambassador's remarks indicate that the ratification of KORUS is an opening for KIC products to be allowed into the U.S. duty-free

- The quotation attributed to the Korean Ambassador claims that he said, "The planned ratification of the South Korea-U.S. free trade agreement will pave the way for the export of products built in Kaesong to the U.S. market."
- Ambassador Han actually told a group of businessmen at the KIC "**If the issues surrounding the Korean Peninsula are resolved accordingly, then** it will pave the way to export the goods produced in KIC to the US without tariffs" Unfortunately, this quotation was taken out of context. It was made in 2007, well before he became Ambassador to the U.S. and leaves out the conditional clause which preceded it.
- This statement merely reiterated the relevant provisions of the FTA, as explained above.

US-Korea Free Trade Agreement: Kaesong Industrial Complex (KIC)

The United States-Korea Free Trade Agreement (KORUS FTA) supports and reinforces the current embargo against North Korea. It includes strong protections against allowing imports from North Korea that both sides have committed to enforcing vigorously.

What is KIC?

- The Kaesong Industrial Complex is a collaborative economic development zone between South and North Korea, located in North Korea, six miles north of the DMZ. Although it is located in North Korea and employs an estimated 42,000 North Korean workers, the complex was developed by the South Korean businesses.
- The KIC is a measured approach to guide North Korea to liberalize and reform its economy. The KIC is also strategically located to block a potential North Korean land invasion through the closest geographic approach to Seoul.

Products Made in KIC are not imported to the United States

- Currently, the U.S. tightly enforces the embargo, including on all KIC goods, intermediate and otherwise, goods from Kaesong are not imported into the U.S. Korean companies that do business in the KIC purposefully isolate all KIC products and do not allow them to be shipped to the U.S. as they risk losing access to the American market if they violate the U.S. embargo on North Korea. The approval of the FTA won't change that.
- The KORUS FTA will introduce strong customs enforcement measures prevent any fraudulent declaration of origin, including unannounced visits to Korean textile and apparel producers and denying entry for effective goods.

Incorporating KIC into KORUS Would Require Separate Approval by Congress

- The KORUS FTA does not grant products made in the KIC any access to the U.S. The agreement provides for a future opportunity to expand the FTA to include products made in the KIC if, and only if, both the U.S. and South Korean legislatures consent. The U.S. took a similar approach in the Middle East by allowing products made in Qualifying Industrial Zones (QIZs) in Egypt and Jordan access to the U.S. market. It was envisioned in the U.S.-Israel FTA of 1985 and approved by U.S. Congress in 1996.
- Under the KORUS FTA, stringent criteria must be met before products from the KIC may be considered for market access:

“including but not limited to: progress toward the denuclearization of the Korean Peninsula; the impact of the outward processing zones on intra-Korean relations; and the environmental standards, labor standards and practices, wage practices and business and management practices prevailing in the outward processing zone, with due reference to the situation prevailing elsewhere in the local economy and the relevant international norms.”
- The agreement requires Congress to approve “any amendments to the Agreement with respect to outward processing zones [Kaesong],” just as Congress was required to do to extend the Israel FTA to Palestinian zones.

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